

## Message Text

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TO SECSTATE WASHDC 7224

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E.O. 11652: GDS

TAGS: PGOV PFOR FR

SUBJECT: CHANGE IN FRENCH FOREIGN POLICY UNDER GISCARD

REF: PARIS 2935

SUMMARY. REFTEL PROVIDED OVERVIEW OF GISCARD'S "CHANGE WITHOUT RISK" FOREIGN POLICY WHICH IS WEAVING A GREATER AMOUNT OF REALISM, PRAGMATISM AND GALLIC CHARM INTO FRANCE'S RELATIONS WITH THE REST OF THE WORLD THAN WAS DEMONSTRATED BY PREVIOUS ADMINISTRATIONS OF THE FIFTH REPUBLIC. THIS MESSAGE DESCRIBES GISCARD'S CHANGES IN MORE DETAIL BY GEOGRAPHIC REGION AND FUNCTIONAL AREA. AS MIGHT BE EXPECTED, THE DEGREE OF FOREIGN POLICY CHANGE VARIES ON THE BASIS OF THIS YOUNG ADMINISTRATION'S PERCEPTIONS OF FRANCE'S PRIORITIES, ESPECIALLY THOSE WHICH BEAR MOST HEAVILY ON BOTH THE NEED TO CONSOLIDATE INTERNALLY GISCARD'S VERY NARROW ELECTORAL VICTORY LAST MAY, AND THE NEED TO SHOW PROGRESS IN FRANCE'S FIGHT AGAINST INFLATION AND THE OIL DEFICIT. THE MAIN LESSON WE CAN DRAW FROM THE FOLLOWING INVENTORY IS THAT WHILE MOVEMENT AWAY FROM CERTAIN PREVIOUS POLI-

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CIES IS SLOW AND SUBTLE, IT IS NEVERTHELESS REAL AND

FRAUGHT WITH IMPLICATIONS FOR U.S. OBJECTIVES WHICH WILL BE DISCUSSED IN FORTHCOMING ANNUAL POLICY ASSESSMENT.

1. EUROPEAN COMMUNITY

PSYCHOLOGICALLY, GISCARD HAS CROSSED A THRESHOLD TOWARD POLITICAL EUROPE. HE APPARENTLY BELIEVES IN IT, AND IS WILLING TO HELP MOVE FRANCE AND HER EC-NINE PARTNERS TOWARD EVENTUAL POLITICAL, ALTHOUGH CONFEDERAL, UNIFICATION. GONE ARE THE GAULLIST GIMMICKS DESIGNED TO KEEP EUROPE DISUNITED WHILE BLAMING THE UNITED STATES FOR THE ABSENCE OF MOVEMENT TOWARD UNITY. ON THE CONTRARY, WE NOTE ELEMENTS OF COMMITMENT TOWARD EUROPE IN FRANCE'S MODERATE REACTION TO UK'S CLUMSY CANCELLATION OF THE CHANNEL TUNNEL PROJECT, AND IN FRANCE'S ENHANCED FLEXIBILITY WITH RESPECT TO UK RENEGOTIATION. FOR GISCARD, POLITICAL EUROPE MUST BE A STRONG EUROPE WHICH CAN STAND UP TO BOTH THE UNITED STATES AND THE SOVIET UNION.

2. NORTH ATLANTIC ALLIANCE

WHEN HE DIRECTED PRIME MINISTER CHIRAC TO SIGN THE ATLANTIC DECLARATION IN BRUSSELS LAST JUNE, GISCARD GAVE NOTICE THAT HE INTENDED TO DISCARD GAULLIST THEOLOGY ABOUT AMERICA'S ALLEGED DESIGNS TO DOMINATE EUROPE. WHILE PERENNIAL CRYBABIES LIKE "LE MONDE" AND NATURAL CRITICS LIKE THE COMMUNIST PARTY CALLED GISCARD AN ATLANTICIST, PURE GAULLISTS LIKE MICHEL DEBRE UNDERSTOOD THAT ATLANTICISM WAS DIMINISHING AS A VIABLE POLITICAL ISSUE IN FRANCE, AND WISELY KEPT QUIET. SINCE THE ATLANTIC DECLARATION, FRANCE HAS STOPPED PROMOTING THE IDEA OF A EUROPEAN DEFENSE FORUM SEPARATE FROM NATO, AND NO LONGER DO WE SEE ANY OFFICIAL INTEREST IN JOBERT'S IDEA OF A "NEW CHARACTER OF EUROPEAN DEFENSE" CENTERED ON THE WEU. ALSO CONSPICUOUS BY ITS ABSENCE IS THE GAULLIST RHETORIC WHICH PORTRAYED NATO AS THE HAND-MAIDEN OF U.S. EFFORTS TO DOMINATE EUROPE. GISCARD'S FRIENDLY GESTURE TOWARD NATO IN THE MARTINIQUE COMMUNIQUE IN DECEMBER WAS THE DIPLOMATIC EXPRESSION OF HIS  
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APPARENT WILLINGNESS TO BROADEN THE CONTENT AND ACCELERATE THE TIME FRAME FOR FRENCH-NATO COOPERATION SHORT OF FRANCE'S REINTEGRATION, WHICH IS CLEARLY NOT IN THE CARDS.

3. DEFENSE POLICY (BEGIN XGDS-1)

GISCARD HAS MOVED MORE SLOWLY IN THE DEFENSE FIELD THAN

IN OTHER AREAS, BUT HE NEVERTHELESS RECOGNIZES THE SWEEPING INCONSISTENCIES BETWEEN 16 YEARS OF GAULLIST DEFENSE THEORY AND THE REALITIES OF TODAY'S (AND TOMORROW'S) WORLD. IN THIS CONTEXT, FRANCE'S COMPORTMENT AT NATO SEEMS TO BE A GOOD DEAL MORE RELAXED UNDER GISCARD THAN UNDER HIS PREDECESSORS (FOR EXAMPLE, DE ROSE'S RECENT ANNOUNCEMENT THAT FRANCE WOULD PARTICIPATE IN SHAPEX '75). WE EXPECT TO SEE GISCARD'S POLICIES

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PERMITTING EVEN GREATER PARTICIPATION BY FRENCH REPRESENTATIVES IN NATO'S AFFAIRS, WITH GAULLIST RHETORIC GIVING WAY SLOWLY TO A HIGHER DEGREE OF REAL COOPERATION. BEYOND THIS CHANGE IN ATMOSPHERICS, THE FRENCH UNDER GISCARD HAVE SHOWN AN INCREASED READINESS TO ENGAGE IN PRACTICAL MILITARY COOPERATION WITH NATO AND THE US. IN JULY 1974, THE FRENCH AGREED TO EXPAND CONTINGENCY PLANNING WITH NATO TO INCLUDE ALL FIVE OF ITS DIVISIONS. AGREEMENT WAS ALSO REACHED PERMITTING NATO TO USE SELECTED FRENCH AIR BASES AND TO ALLOW CERTAIN FRENCH

AIR UNITS TO BE PLACED UNDER NATO CONTROL. IN THESE CASES, HOWEVER, THE PLANS WOULD BE PUT INTO EFFECT ONLY WHEN THE FRENCH GOVERNMENT GIVES ITS PERMISSION. SENSITIVE BILATERAL FRANCO-U.S. DISCUSSIONS AT THE STAFF LEVEL HAVE LAID THE FOUNDATION FOR FURTHER CONTINGENCY ARRANGEMENTS BETWEEN OUR TWO GOVERNMENTS ON KEY SUBJECTS CONNECTED WITH MILITARY PREPAREDNESS. THESE CHANGES ARE NEITHER RAPID NOR PROFOUND FOR THE MOMENT, BUT THEY ARE ENCOURAGING. WHILE FRANCE IS UNLIKELY TO ABANDON HER NOTIONS OF NATIONAL INDEPENDENCE, THE CURRENT TREND  
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COULD--OVER TIME--PROVIDE SUBSTANTIALLY INCREASED FRENCH PARTICIPATION IN WESTERN DEFENSE. END XGDS-L.

#### 4. SOVIET AND EASTERN EUROPE

MAJOR ELEMENTS OF FRENCH POLICY TOWARD THE SOCIALIST COUNTRIES ARE AND WILL PROBABLY REMAIN UNCHANGED. FOR GISCARD, LIKE HIS PREDECESSORS, HAS A MOST REALISTIC VIEW OF SOVIET POWER AND POLITICAL DESIGNS ON WESTERN EUROPE, AND WILL THEREFORE VIGOROUSLY MAINTAIN FRENCH POLITICAL AND MILITARY DEFENSIVE CAPABILITIES. AS PARIS'S MOST RECENT REACTIONS TO THE ISSUES INVOLVED IN THE GDR CONSULAR AGREEMENT SUGGEST, GISCARD WILL ALSO CONTINUE TO PAY THE NECESSARY PRICE IN EASTERN EUROPE TO SATISFY BONN'S SPECIAL REQUIREMENTS, AND TO MAINTAIN ALLIANCE SOLIDARITY ON CRITICAL EAST-WEST POLITICAL QUESTIONS. HOWEVER, LIKE HIS PREDECESSORS, GISCARD WILL CONTINUE TO SEEK SPECIAL RELATIONSHIPS WITH THE USSR AND THE WARSAW PACT COUNTRIES IN ORDER TO TAKE ADVANTAGE OF INCREASED OPPORTUNITIES FOR TRADE, AND IN ORDER TO NEUTRALIZE SOVIET INFLUENCE ON FRENCH INTERNAL POLITICS VIA THE FRENCH COMMUNIST PARTY. ALSO SIGNIFICANT IS GISCARD'S FINAL BREAK WITH THE JOBERTIAN ARGUMENT THAT THE SOVIETS AND THE AMERICANS ARE SEEKING A CONDOMINIUM OVER EUROPE.

#### 5. NEAR EAST

UNDER GISCARD, FRENCH NEAR EAST POLICY CONTINUES TO BE SHAPED PRIMARILY BY FRANCE'S RELIANCE ON THAT REGION FOR 80 OF THE COUNTRY'S OIL REQUIREMENTS, AND ITS NEED FOR ARAB MARKETS TO PAY FOR OIL IMPORTS. THIS HAS RESULTED IN INTENSIVE EFFORTS TO SECURE OIL AND MARKETS BILATERALLY THROUGH A FLURRY OF HIGH LEVEL VISITS TO IRAN, IRAQ, SAUDI ARABIA, ALGERIA AND EGYPT. THE GISCARD GOVERNMENT HAS ALSO ACTIVELY PROMOTED THE EURO-ARAB DIALOGUE INITIATED BY ITS PREDECESSOR WITH A VIEW TO REASSERTING EUROPEAN AND FRENCH INFLUENCE IN THE

ARAB WORLD. AS PART OF THIS EFFORT, THE FRENCH HAVE  
BECOME THE PRINCIPAL WESTERN ADVOCATE OF THE PLO. WHILE  
FRENCH TACTICS IN THE MIDDLE EAST HAVE TENDED TO COMPLI-  
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CATE U.S. PEACEMAKING EFFORTS, GISCARD HAS NEVERTHELESS  
TRIED TO MODERATE THE IMPACT BY SUPPORTING THE SECRE-  
TARY'S STEP-BY-STEP APPROACH WHICH WAS BELITTLED BY THE

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PREVIOUS GOVERNMENT. THE FRENCH HAVE ALSO EMPHASIZED  
TO THE ARABS PRIVATELY, AND TO THE PUBLIC, THAT ISRAEL  
MUST HAVE THE RIGHT TO EXIST IN SECURE AND GUARANTEED  
BOUNDARIES.

6. AFRICA

WHILE CONTINUING TO EMPHASIZE FRANCE'S HISTORIC TIES TO FRANCOPHONE AFRICA, THE GISCARD GOVERNMENT IS BEGINNING TO TREAT AFRICA MORE NORMALLY THAN ITS PREDECESSORS. THE ABOLITION OF THE FOCCARD OPERATION SEEMS TO HAVE ENDED THE COVERT EFFORTS TO MAINTAIN FRENCH DOMINATION. FRANCE IS MORE INTERESTED THESE DAYS IN AFRICAN COUNTRIES WITH MARKETS AND RAW MATERIALS SUCH AS ZAIRE AND NIGERIA AS OPPOSED TO ITS EX-COLONIES. FRANCE NO LONGER SEES AFRICA AS A "PRIVATE HUNTING PRESERVE" DESIGNED TO EXCLUDE THE AMERICANS AND OTHERS. THERE APPEARS TO BE A GREATER WILLINGNESS TO COOPERATE WITH THE U.S. AND OTHER DONORS ON ASSISTANCE PROJECTS IN FRANCOPHONE AFRICA. THE RECENT AGREEMENT BETWEEN THE EC

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AND ACP ASSOCIATES FURTHER ATTENUATES THE INFLUENCE OF FRANCE IN ITS EX-COLONIES WHILE OPENING THE DOORS IN OTHER PARTS OF AFRICA.

## 7. ASIA

THE LACK OF CHANGE IN FRENCH POLICY TOWARD ASIA REFLECTS GISCARD'S FOCUS ON OTHER AREAS AND SUBJECTS OF GREATER PRIORITY FOR FRANCE. WITH FORMER AMBASSADOR TO JAPAN DE LABOULAYE AS THE NEW QUAI POLITICAL DIRECTOR AND WITH OTHER PERSONNEL CHANGES, SUCH AS THE NOMINATION OF QUAI ECONOMIC DIRECTOR BRUNET AS AMBASSADOR TO JAPAN, GISCARD MAY YET FIND THE TIME TO PLACE HIS OWN ADMINISTRATION'S IMPRINT ON FRANCE'S ASIAN POLICY. WE EXPECT A CONTINUING EFFORT TO MAINTAIN A "SPECIAL RELATIONSHIP" WITH CHINA BASED ON THE HISTORICAL ENTHUSIASM FOR CHINA AMONG THE FRENCH PEOPLE. IN INDOCHINA, FRENCH POLICY REMAINS THE SAME DESPITE GISCARD'S SOFTENING OF THE MORE EXTREME ANTI-AMERICANISM IN GAULLIST ATTITUDES TOWARD U.S. POLICY. OVER THE LONGER RUN, WE CAN PROBABLY EXPECT GISCARD TO BE LESS INTERESTED THAN HIS PREDECESSORS IN INDOCHINA PROBLEMS, INCLUDING FRENCH DIFFERENCES WITH THE U.S., PARTICULARLY IF COMMUNIST SUCCESSES MAKE IT CLEAR ALL WESTERN COUNTRIES WILL HAVE ONLY A LIMITED ROLE IN THE AREA. THE FRENCH HAVE NOT BEEN PARTICULARLY HELPFUL ON CAMBODIA. AFTER THE MARTINIQUE COMMUNIQUE'S SUPPORT FOR "NEGOTIATIONS BETWEEN THE CONTENDING PARTIES," GISCARD STIMULATED A PRESS QUESTION AFTER HIS RETURN SO THAT HE COULD SAY THE MORE LIKELY PATH TO PEACE WOULD BE THROUGH POLITICAL EVOLUTION, NOT NEGOTIATIONS. WITH RESPECT TO JAPAN, THE DE LABOULAYE AND BRUNET APPOINTMENTS MAY SIGNAL AN END TO GISCARD'S BASIC INDIFFERENCE TOWARD TOKYO SINCE HIS ELECTION.

8. UNITED NATIONS

GISCARD TAKES A GREATER INTEREST IN THE UNITED NATIONS THAN HIS PREDECESSORS. FRENCH PERFORMANCET THE UN UNDER GISCARD HAS BEEN MIXED. ON MIDDLE EAST ISSUES, FRANCE WAS CAREFUL, BUT ESSENTIALLY UNCOOPERATIVE AND DIVISIVE, ESPECIALLY ON THE QUESTION OF PLO  
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PARTICIPATION. ON THE OTHER HAND, IN THE KEY SECURITY COUNCIL VOTE REGARDING SOUTH AFRICA, FRANCE JOINED THE U.S. AND UK IN A TRIPLE VETO WHICH IN ITSELF REPRESENTED A NEW DEPARTURE UNPRECEDENTED FOR THE FIFTH REPUBLIC. THE NEGATIVE VOTE IN THE SECURITY COUNCIL IN DEFENSE OF SOUTH AFRICA'S MEMBERSHIP WAS A DEPARTURE FROM GAULLIST TACTIC OF CURRYING FAVOR WITH THE THIRD WORLD ON ANY ISSUE IN WHICH VITAL FRENCH NATIONAL INTERESTS WERE NOT DIRECTLY INVOLVED, INDICATING THE GROWING IMPORTANCE UNDER GISCARD OF FRENCH COMMERCIAL INTERESTS. THE GOF SHARES OUR CONCERN FOR STEAMROLLER TACTICS BY THE GROUP OF 77, BUT OUT OF A SENSE OF FUTILITY IS APPARENTLY UNWILLING TO COORDINATE EFFORTS TO COUNTER THEM.

9. CULTURAL EXCHANGE

BECAUSE CULTURAL EXCHANGE CREATES NO INTERNAL POLITICAL PROBLEMS IN FRANCE, GISCARD IS TAKING FULL ADVANTAGE OF PREPARATIONS FOR THE U.S. BICENTENNIAL TO MANIFEST HIS DESIRE FOR A MAJOR EXPRESSION OF FRENCH-US AMITY. THE WORKING LEVELS OF THE GOF ARE FOLLOWING HIS LEAD BY PROVIDING MORE OPPORTUNITIES FOR EXCHANGES THAN

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EVER BEFORE. WE ARE PARTICULARLY ENCOURAGED BY THE GOF'S DESIRE TO DEVELOP MORE UNIVERSITY EXCHANGES, WHICH IS AN AREA OF GREAT POTENTIAL BENEFIT FOR BOTH SIDES IN THE FUTURE. FRENCH GOVERNMENT-OWNED RADIO AND TELEVISION HAS RECENTLY BEEN REORGANIZED, DECENTRALIZED, AND THEORETICALLY GIVEN MORE FREEDOM FROM GOF CONTROL. WE FIND THAT SINCE THESE CHANGES, THE NETWORKS ARE TURNING INCREASINGLY TO THE UNITED STATES FOR POPULAR MATERIAL.

#### 10. SCIENCE AND TECHNOLOGY

GISCARD HAS NOT OVERLY DISCARDED ANY OF THE MODERN HVUH TECHNOLOGY PROJECTS STARTED BY DE GAULLE TO ASSURE INDEPENDENCE

FROM THE U.S. HOWEVER, GISCARD'S ADMINISTRATION HAS SUCCEEDED IN DOWNGRADING PROJECTS THAT EL NOT HELP EXPORTS, SUCH AS THE LAUNCHER ARIANE, AND PROMOTING THOSE THAT DO PROMISE EXPORT EARNINGS, NOTABLY NUCLEAR REACTORS AND PERHAPS AHDRANIUM ENRICH-  
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MENT PLANT. GISCARD APPEARS TO HAVE A MORE POSITIVE APPROACH TOWARD SCIENCE AND TECHNOLOGY THAN HIS PREDECESSOR: HIS RECENTLY ANNOUNCED POLICY ON THE RESEARCH

BUDGET FOR THE 7TH PLAN INCLUDED AN INCREASE IN RESEARCH AND DEVELOPMENT AT A GREATER RATE THAN MOST OTHER MAJOR ITEMS, ALTHOUGH SCIENTIFIC RESEARCH IS TO RETAIN ITS CURRENT SHARE OF THE BUDGET. THIS POLICY WILL STRESS, IN THE INDUSTRIAL AND AGRICULTURAL AREAS, EFFORTS TO INCREASE EXPORTS AND TO ACHIEVE NATIONAL INDEPENDENCE



OF ENERGY AND RAW MATERIAL SUPPLIES. IN KEEPING WITH GISCARD'S VIEW OF US-FRENCH RELATIONS, THE R & D SECTOR OF THE FRENCH GOVERNMENT IS INTERESTED IN LAUNCHING NEW, WORTHWHILE PROJECTS UNDER A REVITALIZED US-FRENCH SCIENCE COOPERATION PROGRAM.

#### 11. FOREIGN ECONOMIC POLICY

SHORTLY AFTER GISCARD TOOK POWER, EMBASSY MADE THE FOLLOWING ANALYSIS (PARIS 12488 OF MAY 22, 1974): "GIVEN GISCARD'S CLOSE IDENTIFICATION AS FINANCE MINISTER WITH MOST FRENCH FOREIGN ECONOMIC POLICIES OVER THE PAST YEARS, WE SEE LITTLE REASON TO EXPECT SIGNIFICANT CHANGES IN FRANCE'S OUTLOOK TOWARD MAJOR INTERNATIONAL ECONOMIC AND FINANCIAL QUESTIONS. WHILE GISCARD'S PRAGMATISM, GENERALLY LIBERAL TRADE OUTLOOK, AND RELATIVELY GREATER OPENNESS TO U.S. IDEAS MAY MAKE SOME OF OUR ECONOMIC DEALINGS WITH FRANCE LESS STRAINED THAN IN THE PAST, FRANCE'S ECONOMIC SELF-INTEREST AND ITS IDENTIFICATION WITH EUROPEAN COOPERATION WILL CONTINUE TO BE THE PIVOTAL POINT OF GISCARD'S FOREIGN ECONOMIC POLICY." AS INDICATED IN FOLLOWING PARAGRAPHS, WE BELIEVE EVENTS OF PAST NINE MONTHS HAVE BORNE OUT THIS PREDICTION.

#### 12. MONETARY MATTERS

GOF POSITIONS ON MONETARY MATTERS ARE LINKED TO PRIMARY ECONOMIC OBJECTIVES OF PROTECTING EMPLOYMENT, MAINTAINING RELATIVELY HIGH LEVEL OF ECONOMIC GROWTH, RESTORING STRONG BALANCE OF PAYMENTS POSITION, AND--TO EXTENT CONSISTENT WITH FOREGOING--BRINGING INFLATION  
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UNDER CONTROL. GISCARD AND HIS POLICYMAKERS BELIEVE A HIGH AND EXPANDING LEVEL OF EXPORT DEMAND IS A KEY ELEMENT IN FURTHERING THE FIRST THREE OF THESE OBJECTIVES AND THIS CONSIDERATION MAKES THEM SENSITIVE TO EXCHANGE VALUE OF THE FRANC. THUS, ANY APPARENT MODIFICATION IN GOF APPROACH TO INTERNATIONAL MONETARY QUESTIONS OVER THE LAST EIGHT MONTHS STEMS MORE FROM CHANGE IN SITUATION OF, AND OUTLOOK FOR, THE FRANC THAN FROM ANY REVISION OF BASIC FRENCH TENETS. AFTER GISCARD'S ELECTION IN MAY 1974, FRANC WAS TRADING IN EXCHANGE MARKETS AT ABOUT 4.90 AGAINST DOLLAR AND AT 2 FOR 1 AGAINST THE DEUTSCHMARK. IN EARLY DAYS, CONSEQUENTLY, GISCARD GOVERNMENT HAD AMPLE REASON TO SOFT-PEDAL TRADITIONAL FRENCH THEMES RE VIRTUE OF STABLE OR EVEN FIXED, BUT ADJUSTABLE EXCHANGE RATES. IN LATE 1974 AND EARLY 1975, FRANC HAS RISEN MARKEDLY AGAINST THE DOLLAR. THIS HAS COINCIDED WITH RENEWED OFFICIAL AND PRIVATE EXPRESSIONS

OF CONCERN ABOUT COMPETITIVE EDGE FRENCH FEEL CURRENT  
DOLLAR RATE GIVES TO U.S. PRODUCTS. AS A REMEDY,  
FINANCE MINISTER FOURCADE HAS BEEN ARGUING MERITS OF  
"REFORM" OF MONETARY SYSTEM BASED ON FIXED, SUPPORTED  
RATES. THEY ARE ALSO HOLDING OUT POSSIBILITY OF REES-  
TABLISHING MORE STABLE RELATIONSHIP FOR FRANC WITH  
DEUTSCHMARK AND OTHER CURRENCIES IN EUROPEAN MONETARY

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"SNAKE", COUPLED WITH ARRANGEMENTS THAT WOULD MAINTAIN  
"REALISTIC" AND REASONABLY STABLE EXCHANGE RELATIONSHIPS  
BETWEEN THESE EUROPEAN CURRENCIES ON THE ONE HAND AND  
DOLLAR AND THIRD CURRENCIES ON THE OTHER. FOURCADE ALSO  
SPEAKS OF PROMOTING WIDER USE OF EUROPEAN UNIT OF ACCOUNT  
IN INTERNATIONAL FINANCIAL RELATIONS, AND HAS RESURRECTED  
A FAVORITE EXPRESSION OF HIS PREDECESSOR AT THE FINANCE  
MINISTRY--TO WIT, THE CREATION OF AN INDEPENDENT  
"MONETARY POLE" IN EUROPE.

13. ENERGY

GISCARD HAS ASSUMED GREATER CONTROL OVER FRENCH ENERGY POLICY IN RECENT MONTHS, AND THERE IS NO DOUBT THAT CURRENT POLICY BEARS A GISCARDIAN STAMP. WHILE FRANCE HAS ITS OWN POLICIES TO REDUCE DEPENDENCE ON IMPORTS, ITS APPROACH TO THE PROBLEM OF FRANCE'S VULNERABILITY TO SUPPLY INTERRUPTIONS IS MORE POLITICAL THAN ECONOMIC. SUPPORT FOR THE PLO, FOR THE EURO-ARAB DIALOGUE, AND FOR AN EC-IRAN PREFERENTIAL TRADE AGREEMENT

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ARE BASIC POLITICAL CHOICES RELATED TO THE JUDGMENT THAT FRANCE WILL NOT BE ABLE TO DEPEND ON HER EC PARTNERS OR THE UNITED STATES FOR VITAL SUPPLIES IN THE EVENT OF A MORE ACUTE MIDDLE EAST CRISIS. IT ALSO RECOGNIZES THAT BUILDING A COMMON ENERGY POLICY IN THE EC AND DEVELOPING NEW SOURCES OF ENERGY ARE LONG-TERM TASKS. IN THE SHORT RUN, WHATEVER PROGRESS IS POSSIBLE ON THE LATTER TWO FRONTS CANNOT PROVIDE FRANCE ANY CREDIBLE LEVERAGE WITH OIL SUPPLIERS. FRANCE STILL CANNOT JOIN THE IEA WITHOUT (1) SEEMING TO FOLLOW AN AMERICAN LEAD WHICH IS STILL SUBJECT TO INTERNAL POLITICAL CONSTRAINTS AND (2) COMPROMISING THE GOVERNMENT'S EFFORTS TO REMAIN ON THE BEST TERMS WITH THE OIL PRODUCERS. GISCARD'S ANALYSIS OF THE IMPERATIVES OF THE ENERGY CRISIS IS VERY CLOSE TO OUR OWN. HENCE, FRANCE IS WILLING TO COOPERATE WITH THE IEA AND CLEARLY ACKNOWLEDGES THE WISDOM OF IEA'S APPROACH TO THE LONG-RUN PROBLEM OF REDUCING EVERYONE'S VULNERABILITY. HOWEVER, WE CAN EXPECT IMPORTANT DIFFERENCES BETWEEN THE UNITED STATES AND FRANCE ON TACTICS IN IEA RELATIONS WITH PRODUCERS BECAUSE FRENCH IDEAS ON TACTICS FLOW LOGICALLY FROM JUDGMENTS ABOUT WHAT IS POSSIBLE IN THE SHORT RUN AND WHAT IS OF VITAL INTEREST TO FRANCE OVER THE NEAR TERM.

#### 14. AGRICULTURE

FRANCE REMAINS SUSPICIOUS OF U.S. OBJECTIVES. PRIME MINISTER CHIRAC, WHEN HE WAS MINISTER OF AGRICULTURE, MADE STRONG COMMITMENTS TO SUPPORT FRENCH AGRICULTURAL INTERESTS IN THE COMMUNITY AND IN THE INTERNATIONAL ARENA. GIVEN PRESIDENT GISCARD'S PREOCCUPATION WITH OTHER INTERESTS, CHIRAC HAS A RELATIVELY FREE HAND ON AGRICULTURAL POLICY. BECAUSE OF THE IMPORTANCE OF AGRICULTURE IN FRANCE'S ECONOMIC STRUCTURE, FRENCH NATIONAL INTERESTS ARE DEEPLY INVOLVED IN THE PRESERVATION OF THE EEC'S COMMON AGRICULTURAL POLICY. THE PRINCIPLES OF THE CAP ARE THUS CONSIDERED OF SUCH IMPORTANCE THAT FRANCE BELIEVES THEY MUST NOT BE THE SUBJECT OF ANY BARGAINS IN THE MTN OR IN ANY

OTHER FRAMEWORK OUTSIDE THE EEC. WITHIN THE COMMUNITY  
FRANCE MAY BE WILLING TO TOLERATE SOME MOVEMENT, BUT  
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FRANCE HAS SOLID ALLIES IN THE COMMUNITY WHO WILL ALSO  
RESIST TINKERING WITH CAP FUNDAMENTALS. THE FRENCH

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BELIEVE THAT INTERNATIONAL TRADE CONCESSIONS ON AGRI-  
CULTURE SHOULD BE BALANCED WITHIN THAT SECTOR, I.E.,  
ONE CANNOT TRADE OFF INDUSTRIAL CONCESSIONS FOR AGRI-  
CULTURAL ONES. ACCESS TO SUPPLIES IS CURRENTLY A MORE  
IMPORTANT CONSIDERATION IN FRENCH EYES THAN IMPROVED  
ACCESS TO MARKETS.

15. TRADE

THE ENERGY CRISIS AND ECONOMIC SLOWDOWN IN THE INDUSTRIALIZED WORLD HAVE MADE FRANCE MORE AGGRESSIVE IN MARKETING FRENCH PRODUCTS, ESPECIALLY IN THE MIDDLE EAST, AND THE GISCARD GOVERNMENT HAS REAFFIRMED THE POLICY LAID DOWN BY FINANCE MINISTER GISCARD A YEAR AGO OF CONTINUAL COMMITMENT TO THE MTN BUT WITH LIMITED OBJECTIVES. THE FRENCH ACCEPT THE PSYCHOLOGICAL IMPORTANCE OF AN ONGOING TRADE NEGOTIATION IN HELPING TO PREVENT THE PROLIFERATION OF PROTECTIONIST MEASURES. THEY WOULD LIKE TO SEE THE CONCLUSION OF A MINI-PACKAGE AS SOON AS POSSIBLE, BUT THEY ARE LIKELY TO GO ALONG

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PAGE 02 PARIS 05534 06 OF 06 041712Z

WITH A COMMUNITY MANDATE TO KEEP THE EC TALKING AT GENEVA. THEY WILL INSIST THAT AGRICULTURAL MATTERS BE TREATED AS A SPECIAL AND SEPARATE SUBJECT FOR NEGOTIATION. MEANWHILE WE HAVE NOT SEEN THE DEVELOPMENT OF NEW TRADE RESTRICTIONS IN FRANCE.

RUSH

SECRET

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TEXT, ECONOMIC PROGRAMS, FOREIGN POLICY POSITION, CENTRAL GOVERNMENT  
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**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Reference:** 75 PARIS 2935  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 16 APR 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <16 APR 2003 by ShawDG>; APPROVED <17 APR 2003 by GolinoFR>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
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**Subject:** CHANGE IN FRENCH FOREIGN POLICY UNDER GISCARD  
**TAGS:** PGOV, PFOR, FR, (GISCARD D'ESTAING, VALERY)  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006